

Message Text

CONFIDENTIAL

PAGE 01 CARACA 02619 072128Z

73

ACTION ARA-10

INFO OCT-01 AF-06 EUR-12 EA-06 NEA-09 ISO-00 FEA-01

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

EB-07 FPC-01 H-02 INR-07 INT-05 L-02 NSAE-00 NSC-05

OMB-01 PM-03 SAM-01 OES-03 SP-02 SS-15 STR-01 TRSE-00

FRB-03 IO-10 PA-01 PRS-01 NSCE-00 SSO-00 USIE-00

INRE-00 /127 W

----- 076055

O R 072022Z MAR 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 2902

INFO AMEMBASSY BEIRUT

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

KUWAIT 147

AMEMBASSY LAGOS

AMEMBASSY LIMA

AMEMBASSY LONDON

AMEMBASSY PORT OF SPAIN

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

AMCONSUL DHAHRAN

USMISSION OECD PARIS

C O N F I D E N T I A L CARACAS 2619

E.O. 11652: GDS

TAGS: ENRG, EINV, VE

SUBJECT: PRESIDENT PEREZ'S OPEC PRESS CONFERENCE

REF: (A) CARACAS 0885; (B) CARACAS 1973

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CARACA 02619 072128Z

1. STATEMENT BY PRESIDENT CARLOS ANDRES PEREZ IN ALGERIA AT OPEC

SUMMIT, AS CARRIED BY CARACAS PRESS MARCH 7, REPORTS HIM AS SAYING THAT HE WILL ANNOUNCE ON MARCH 12 NATIONALIZATION OF THE OIL INDUSTRY THIS YEAR. TAKEN IN CONNECTION WITH THE KUWAIT NATIONALIZATION ANNOUNCEMENT, THE PEREZ STATEMENT SHOULD NOT BE CONSTRUED TO MEAN HE WILL NATIONALIZE THE OIL INDUSTRY ON THAT DATE.

2. TO AVOID POSSIBLE CONFUSION, IT SHOULD BE NOTED THAT PRESIDENT PEREZ WILL BE MAKING HIS ANNUAL ECONOMIC SPEECH TO THE VENEZUELAN CONGRESS WHICH CONVENED FOR ITS 1975 SESSION ON MARCH 2. HE WILL ALSO SUBMIT A DRAFT NATIONALIZATION BILL TO THE CONGRESS FOR ITS CONSIDERATION (REFTEL A). THE BILL WAS DRAFTED BY A PRESIDENTIAL REVERSION COMMISSION APPOINTED BY THE PRESIDENT FOR A SIX-MONTH PERIOD FROM MAY-NOVEMBER 1974. THE COMMISSION DRAFT BILL WAS PRESENTED TO THE PRESIDENT IN DECEMBER 1974 AND HAS BEEN UNDER REVIEW BY BOTH THE ADMINISTRATION AND THE CENTRAL COMMITTEE OF THE PRESIDENT'S AD PARTY.

3. PRESIDENT PEREZ DOES NOT HAVE AUTHORITY UNDER THE EMERGENCY POWERS GRANTED HIM BY CONGRESS IN 1974 TO DECREE NATIONALIZATION OF THE OIL INDUSTRY. THE ACT MUST BE CONCURRED IN BY THE CONGRESS. CONGRESSIONAL APPROVAL WILL CERTAINLY BE FORTHCOMING WHEN PRESIDENT PEREZ WANTS IT, BOTH BECAUSE HIS AD PARTY HAS AN ABSOLUTE MAJORITY IN BOTH HOUSES AND BECAUSE THE ACTION HAS WIDE SUPPORT IN THE COUNTRY.

4. PRIOR TO ACTUAL NATIONALIZATION, THE GOV WILL FINISH ITS CONFIDENTIAL DISCUSSIONS WITH THE OIL COMPANIES (REFTEL B) IN ORDER THAT THE ACTION CAN BE CARRIED OUT WITH THE LEAST CONTROVERSY AND DIFFICULTY POSSIBLE. TALKS WITH THE OIL COMPANIES WERE SUSPENDED SHORTLY AFTER THEY BEGAN DUE TO THE ABSENCE FROM THE COUNTRY OF THE CHAIRMAN OF THE TEAM, MINISTER OF MINES AND HYDROCARBONS VALENTIN HERNANDEZ. SO FAR ONLY CREOLE, SHELL AND MENE GRANDE HAVE MET ONCE WITH THE GOVERNMENT TEAM.

5. PRESIDENT PEREZ APPEARS TO HAVE BEEN SOMEWHAT SUCCESSFUL IN LINING UP OPPOSITION COPEI PARTY SUPPORT FOR HIS NATIONALIZATION SCHEDULE. HE WAS ACCOMPANIED BY ALGERIA BY THE COPEI SENATOR, DR. GODOFREDO GONZALEZ, WHO IS PRESIDENT OF THE SENATE MINES AND HYDROCARBONS COMMISSION. ALSO, EARLIER THE SUB-SECRETARY

CONFIDENTIAL

PAGE 03 CARACA 02619 072128Z

GENERAL OF THE COPEI PARTY ANNOUNCED THAT THE PARTY WOULD VOTE FAVORABLY ON THE DRAFT PETROLEUM BILL AS FORMULATED BY THE REVERSION COMMISSION, AND WOULD EVEN SUPPORT CERTAIN CHANGES IF THEY WERE NOT "SUBSTANTIAL."

6. THE EMBASSY ANTICIPATES THAT THE SUBMISSION OF THE DRAFT NATIONALIZATION BILL TO CONGRESS WILL BE CARRIED OUT WITH GREAT FANFARE. PRESIDENT PEREZ WILL PROBABLY ELABORATE ON HIS PRESS

CONFERENCE IN ALGERIA UPON HIS ARRIVAL IN VENEZUELA TODAY,
MARCH 7. THE GOVERNMENT INFORMATION OFFICE HAS MOUNTED A
CAMPAIGN TO GET A LARGE PUBLIC TURNOUT AT THE AIRPORT.

7. ONE POLITICAL CARTOON IN TODAY'S NEWSPAPERS DEPICTS PRESIDENT
PEREZ RETURNING ON A FLYING CARPET.
MCCLINTOCK

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, PETROLEUM INDUSTRY, PRESS CONFERENCES, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 07 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975CARACA02619
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750080-1075
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750373/aaaacntp.tel
Line Count: 122
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 CARACAS 0885, 75 CARACAS 1973
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 09 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 APR 2003 by KelleyW0>; APPROVED <17 SEP 2003 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESIDENT PEREZ'S OPEC PRESS CONFERENCE
TAGS: ENRG, EINV, VE, OPEC, (PEREZ, CARLOS ANDRES)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006